

Executive Summary – Enforcement Matter – Case No. 50393

Davis Gas Processing, Inc.

RN102744398

Docket No. 2015-0591-AIR-E

Order Type:

1660 Agreed Order

Findings Order Justification:

N/A

Media:

AIR

Small Business:

Yes

Location(s) Where Violation(s) Occurred:

Irion County Compressor Station, located ten miles north of Barnhart on Highway 163,
Irion County

Type of Operation:

Gas processing plant

Other Significant Matters:

Additional Pending Enforcement Actions: No

Past-Due Penalties: No

Other: N/A

Interested Third-Parties: None

Texas Register Publication Date: September 4, 2015

Comments Received: No

Penalty Information

Total Penalty Assessed: \$15,400

Amount Deferred for Expedited Settlement: \$3,080

Amount Deferred for Financial Inability to Pay: \$0

Total Paid to General Revenue: \$12,320

Total Due to General Revenue: \$0

Payment Plan: N/A

Supplemental Environmental Project ("SEP") Conditional Offset: \$0

Name of SEP: N/A

Compliance History Classifications:

Person/CN - Satisfactory

Site/RN - Satisfactory

Major Source: Yes

Statutory Limit Adjustment: N/A

Applicable Penalty Policy: April 2014

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Davis Gas Processing, Inc.
RN102744398
Docket No. 2015-0591-AIR-E

Investigation Information

Complaint Date(s): N/A

Complaint Information: N/A

Date(s) of Investigation: February 4, 2015

Date(s) of NOE(s): March 27, 2015

Violation Information

1. Failed to repair valves no later than 15 days after a leak is detected. Specifically, during the quarterly Leak Detection and Repair inspection conducted on July 29, 2013, two valves (Tag Nos. 0296 and 0297) were found to be leaking and were not repaired by August 13, 2013, but were repaired by August 26, 2013 [30 TEX. ADMIN. CODE § 101.20(1), TEX. HEALTH & SAFETY CODE § 382.085(b), and 40 CODE OF FEDERAL REGULATIONS ("CFR") § 60.633(b)(3)(i)].
2. Failed to report all instances of deviations. Specifically, the deviation reports for the reporting periods from July 25, 2013 through January 24, 2014 and January 25, 2014 through July 24, 2014 did not include deviations for the failure to submit the initial Annual Compliance Report under 40 CFR Part 60, Subpart OOOO for the reciprocating compressor within 90 days after the end of the initial compliance period and for the failure to comply with the carbon monoxide emissions rate for Waukesha L7012GSI, Emission Point Number ("EPN") E-1 [30 TEX. ADMIN. CODE §§ 122.143(4) and 122.145(2)(A), TEX. HEALTH & SAFETY CODE § 382.085(b), and Federal Operating Permit ("FOP") No. O210/General Operating Permit ("GOP") No. 514, Site-wide Requirements (b)(2)].
3. Failed to comply with the annual allowable volatile organic compound ("VOC") emissions rate for the Ethylene Glycol ("EG") Still Vent, EPN 4. Specifically, the Respondent exceeded the annual allowable VOC emissions rate of 4.26 tons per year, based on a 12-month rolling period, for the 12-month periods ending on July 2013 through May 2014, resulting in the unauthorized release of approximately 2.52 tons of VOC [30 TEX. ADMIN. CODE §§ 106.6(b) and 122.143(4), TEX. HEALTH & SAFETY CODE § 382.085(b), FOP No. O210/GOP No. 514, Site-wide Requirements (8)(b), and Permit by Rule ("PBR") Registration No. 95129].

Corrective Actions/Technical Requirements

Corrective Action(s) Completed:

The Respondent has implemented the following corrective measures:

- a. On August 26, 2013, repaired two leaking valves (Tag Nos. 0296 and 0297);

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Davis Gas Processing, Inc.
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Docket No. 2015-0591-AIR-E

b. On June 27, 2014, obtained PBR Registration No. 119303 that certified the increase of the annual allowable VOC emissions rate for the EG Still Vent, EPN 4; and

c. By August 31, 2014, implemented a new compression tracking system to ensure complete and accurate submittal of deviation reports.

Technical Requirements:

N/A

Litigation Information

Date Petition(s) Filed: N/A

Date Answer(s) Filed: N/A

SOAH Referral Date: N/A

Hearing Date(s): N/A

Settlement Date: N/A

Contact Information

TCEQ Attorney: N/A

TCEQ Enforcement Coordinator: Jessica Schildwachter, Enforcement Division, Enforcement Team 5, MC 149, (512) 239-2617; Candy Garrett, Enforcement Division, MC 219, (512) 239-1456

TCEQ SEP Coordinator: N/A

Respondent: Michael K. Davis, Executive Vice President, Davis Gas Processing, Inc., 211 North Colorado Street, Midland, Texas 79701

Respondent's Attorney: N/A



Penalty Calculation Worksheet (PCW)

Policy Revision 4 (April 2014)

PCW Revision March 26, 2014

DATES	Assigned	30-Mar-2015	Screening	16-Apr-2015	EPA Due	23-Sep-2015
	PCW	1-Jun-2015				

RESPONDENT/FACILITY INFORMATION

Respondent	Davis Gas Processing, Inc.		
Reg. Ent. Ref. No.	RN102744398		
Facility/Site Region	8-San Angelo	Major/Minor Source	Major

CASE INFORMATION

Enf./Case ID No.	50393	No. of Violations	3
Docket No.	2015-0591-AIR-E	Order Type	1660
Media Program(s)	Air	Government/Non-Profit	No
Multi-Media		Enf. Coordinator	Jessica Schildwachter
		EC's Team	Enforcement Team 5
Admin. Penalty \$ Limit Minimum	\$0	Maximum	\$25,000

Penalty Calculation Section

TOTAL BASE PENALTY (Sum of violation base penalties) **Subtotal 1** **\$19,250**

ADJUSTMENTS (+/-) TO SUBTOTAL 1

Subtotals 2-7 are obtained by multiplying the Total Base Penalty (Subtotal 1) by the indicated percentage.

Compliance History **5.0%** Enhancement **Subtotals 2, 3, & 7** **\$962**

Notes Enhancement for one NOV with same or similar violations.

Culpability **No** **0.0%** Enhancement **Subtotal 4** **\$0**

Notes The Respondent does not meet the culpability criteria.

Good Faith Effort to Comply Total Adjustments **Subtotal 5** **-\$4,812**

Economic Benefit **0.0%** Enhancement* **Subtotal 6** **\$0**

Total EB Amounts \$241
Estimated Cost of Compliance \$6,500

*Capped at the Total EB \$ Amount

SUM OF SUBTOTALS 1-7 **Final Subtotal** **\$15,400**

OTHER FACTORS AS JUSTICE MAY REQUIRE **0.0%** **Adjustment** **\$0**

Reduces or enhances the Final Subtotal by the indicated percentage.

Notes

Final Penalty Amount **\$15,400**

STATUTORY LIMIT ADJUSTMENT **Final Assessed Penalty** **\$15,400**

DEFERRAL **20.0%** Reduction **Adjustment** **-\$3,080**

Reduces the Final Assessed Penalty by the indicated percentage. (Enter number only; e.g. 20 for 20% reduction.)

Notes

Deferral offered for expedited settlement.

PAYABLE PENALTY **\$12,320**

Screening Date 16-Apr-2015

Docket No. 2015-0591-AIR-E

PCW

Respondent Davis Gas Processing, Inc.

Policy Revision 4 (April 2014)

Case ID No. 50393

PCW Revision March 26, 2014

Reg. Ent. Reference No. RN102744398

Media [Statute] Air

Enf. Coordinator Jessica Schildwachter

Compliance History Worksheet

>> Compliance History Site Enhancement (Subtotal 2)

Component	Number of...	Enter Number Here	Adjust.
NOVs	Written notices of violation ("NOVs") with same or similar violations as those in the current enforcement action (<i>number of NOVs meeting criteria</i>)	1	5%
	Other written NOVs	0	0%
Orders	Any agreed final enforcement orders containing a denial of liability (<i>number of orders meeting criteria</i>)	0	0%
	Any adjudicated final enforcement orders, agreed final enforcement orders without a denial of liability, or default orders of this state or the federal government, or any final prohibitory emergency orders issued by the commission	0	0%
Judgments and Consent Decrees	Any non-adjudicated final court judgments or consent decrees containing a denial of liability of this state or the federal government (<i>number of judgments or consent decrees meeting criteria</i>)	0	0%
	Any adjudicated final court judgments and default judgments, or non-adjudicated final court judgments or consent decrees without a denial of liability, of this state or the federal government	0	0%
Convictions	Any criminal convictions of this state or the federal government (<i>number of counts</i>)	0	0%
Emissions	Chronic excessive emissions events (<i>number of events</i>)	0	0%
Audits	Letters notifying the executive director of an intended audit conducted under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (<i>number of audits for which notices were submitted</i>)	0	0%
	Disclosures of violations under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (<i>number of audits for which violations were disclosed</i>)	0	0%
Please Enter Yes or No			
Other	Environmental management systems in place for one year or more	No	0%
	Voluntary on-site compliance assessments conducted by the executive director under a special assistance program	No	0%
	Participation in a voluntary pollution reduction program	No	0%
	Early compliance with, or offer of a product that meets future state or federal government environmental requirements	No	0%

Adjustment Percentage (Subtotal 2) 5%

>> Repeat Violator (Subtotal 3)

No

Adjustment Percentage (Subtotal 3) 0%

>> Compliance History Person Classification (Subtotal 7)

Satisfactory Performer

Adjustment Percentage (Subtotal 7) 0%

>> Compliance History Summary

Compliance History Notes

Enhancement for one NOV with same or similar violations.

Total Compliance History Adjustment Percentage (Subtotals 2, 3, & 7) 5%

>> Final Compliance History Adjustment

Final Adjustment Percentage *capped at 100% 5%

Screening Date 16-Apr-2015

Docket No. 2015-0591-AIR-E

PCW

Respondent Davis Gas Processing, Inc.

Policy Revision 4 (April 2014)

Case ID No. 50393

PCW Revision March 26, 2014

Reg. Ent. Reference No. RN102744398

Media [Statute] Air

Enf. Coordinator Jessica Schildwachter

Violation Number 1

Rule Cite(s)

30 Tex. Admin. Code § 101.20(1), Tex. Health & Safety Code § 382.085(b), and
40 Code of Federal Regulations ("CFR") § 60.633(b)(3)(i)

Violation Description

Failed to repair valves no later than 15 days after a leak is detected. Specifically,
during the quarterly Leak Detection and Repair inspection conducted on July 29,
2013, two valves (Tag Nos. 0296 and 0297) were found to be leaking and were not
repaired by August 13, 2013, but were repaired by August 26, 2013.

Base Penalty \$25,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual			X
Potential			

Percent 15.0%

>> Programmatic Matrix

Falsification	Major	Moderate	Minor

Percent 0.0%

Matrix
NotesHuman health or the environment has been exposed to insignificant amounts of pollutants that do
not exceed levels that are protective of human health or environmental receptors as a result of
the violation.

Adjustment \$21,250

\$3,750

Violation Events

Number of Violation Events 1

13 Number of violation days

mark only one
with an x

daily	
weekly	
monthly	
quarterly	X
semiannual	
annual	
single event	

Violation Base Penalty \$3,750

One quarterly event is recommended for the period of non-compliance from August 13, 2013 to
August 26, 2013.

Good Faith Efforts to Comply

25.0%

Reduction \$937

Before NOE/NOV NOE/NOV to EDPRP/Settlement Offer

Extraordinary		
Ordinary	X	
N/A		(mark with x)

Notes

The Respondent completed corrective actions on August
26, 2013, prior to the March 27, 2015 NOE.

Violation Subtotal \$2,813

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$2

Violation Final Penalty Total \$3,001

This violation Final Assessed Penalty (adjusted for limits) \$3,001

Economic Benefit Worksheet

Respondent Davis Gas Processing, Inc.
 Case ID No. 50393
 Reg. Ent. Reference No. RN102744398
 Media Air
 Violation No. 1

Percent Interest 5.0
 Years of Depreciation 15

Item Cost Date Required Final Date Yrs Interest Saved Onetime Costs EB Amount
 Item Description No commas or \$

Delayed Costs

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/Construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System				0.00	\$0	n/a	\$0
Training/Sampling				0.00	\$0	n/a	\$0
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)	\$1,000	13-Aug-2013	26-Aug-2013	0.04	\$2	n/a	\$2

Notes for DELAYED costs

Estimated cost to repair two leaking valves (Tag Nos. 0296 and 0297). The Date Required is the date the valves should have been repaired. The Final Date is the date of compliance.

Avoided Costs

ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)

Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.00	\$0	\$0	\$0
Supplies/Equipment				0.00	\$0	\$0	\$0
Financial Assurance [2]				0.00	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance

\$1,000

TOTAL

\$2

Screening Date 16-Apr-2015 Respondent Davis Gas Processing, Inc. Case ID No. 50393 Reg. Ent. Reference No. RN102744398 Media [Statute] Air Enf. Coordinator Jessica Schildwachter	Docket No. 2015-0591-AIR-E Policy Revision 4 (April 2014) PCW Revision March 26, 2014	
Violation Number 2		
Rule Cite(s) 30 Tex. Admin. Code §§ 122.143(4) and 122.145(2)(A), Tex. Health & Safety Code § 382.085(b), and Federal Operating Permit ("FOP") No. 0210/General Operating Permit ("GOP") No. 514, Site-wide Requirements (b)(2)		
Violation Description <div style="border: 1px solid black; padding: 5px; margin-top: 5px;"> Failed to report all instances of deviations. Specifically, the deviation reports for the reporting periods from July 25, 2013 through January 24, 2014 and January 25, 2014 through July 24, 2014 did not include deviations for the failure to submit the initial Annual Compliance Report under 40 CFR Part 60, Subpart OOOO for the reciprocating compressor within 90 days after the end of the initial compliance period and for the failure to comply with the carbon monoxide emissions rate for Waukesha L7012GSI, Emission Point Number ("EPN") E-1. </div>		
Base Penalty		\$25,000
>> Environmental, Property and Human Health Matrix		
OR	Release	Harm
		Major Moderate Minor
	Actual Potential	<div style="display: flex; justify-content: space-around;"> <div style="border: 1px solid black; width: 40px; height: 20px;"></div> <div style="border: 1px solid black; width: 40px; height: 20px;"></div> <div style="border: 1px solid black; width: 40px; height: 20px;"></div> </div>
		Percent 0.0%
>> Programmatic Matrix		
	Falsification Major Moderate Minor	
	<div style="display: flex; justify-content: space-around;"> <div style="border: 1px solid black; width: 40px; height: 20px;"></div> <div style="border: 1px solid black; width: 40px; height: 20px;"></div> <div style="border: 1px solid black; width: 40px; height: 20px;"></div> <div style="border: 1px solid black; width: 40px; height: 20px; text-align: center;">x</div> </div>	Percent 1.0%
Matrix Notes	Less than 30% of the rule requirement was not met.	
Adjustment		\$24,750
		\$250
Violation Events		
Number of Violation Events 2		Number of violation days 364
<i>mark only one with an x</i>	<div style="display: flex; flex-direction: column; align-items: flex-start;"> <div style="margin-bottom: 2px;">daily</div> <div style="margin-bottom: 2px;">weekly</div> <div style="margin-bottom: 2px;">monthly</div> <div style="margin-bottom: 2px;">quarterly</div> <div style="margin-bottom: 2px;">semiannual</div> <div style="margin-bottom: 2px;">annual</div> <div style="margin-bottom: 2px;">single event</div> </div> <div style="display: flex; flex-direction: column; align-items: center;"> <div style="border: 1px solid black; width: 40px; height: 20px;"></div> <div style="border: 1px solid black; width: 40px; height: 20px;"></div> <div style="border: 1px solid black; width: 40px; height: 20px;"></div> <div style="border: 1px solid black; width: 40px; height: 20px;"></div> <div style="border: 1px solid black; width: 40px; height: 20px;"></div> <div style="border: 1px solid black; width: 40px; height: 20px; text-align: center;">x</div> </div>	Violation Base Penalty \$500
Two single events are recommended, one for each incomplete report.		
Good Faith Efforts to Comply		\$125
		25.0%
Before NOE/NOV NOE/NOV to EDPRP/Settlement Offer		
Extraordinary		
Ordinary	x	
N/A		(mark with x)
Notes	The Respondent completed corrective actions by August 31, 2014, prior to the March 27, 2015 NOE.	
Violation Subtotal		\$375
Economic Benefit (EB) for this violation		
Statutory Limit Test		
Estimated EB Amount	\$13	Violation Final Penalty Total \$400
This violation Final Assessed Penalty (adjusted for limits)		\$400

Economic Benefit Worksheet

Respondent Davis Gas Processing, Inc.
Case ID No. 50393
Reg. Ent. Reference No. RN102744398
Media Air
Violation No. 2

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
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No commas or \$

Delayed Costs

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/Construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System	\$500	23-Feb-2014	31-Aug-2014	0.52	\$13	n/a	\$13
Training/Sampling				0.00	\$0	n/a	\$0
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)				0.00	\$0	n/a	\$0

Notes for DELAYED costs

Estimated cost to implement a new compression tracking system to ensure complete and accurate submittal of deviation reports. The Date Required is the date the first deviation report was due. The Final Date is the date of compliance.

Avoided Costs

ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)

Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.00	\$0	\$0	\$0
Supplies/Equipment				0.00	\$0	\$0	\$0
Financial Assurance [2]				0.00	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance

\$500

TOTAL

\$13

Screening Date 16-Apr-2015 Respondent Davis Gas Processing, Inc. Case ID No. 50393 Reg. Ent. Reference No. RN102744398 Media [Statute] Air Enf. Coordinator Jessica Schildwachter	Docket No. 2015-0591-AIR-E Violation Number 3 Rule Cite(s) 30 Tex. Admin. Code §§ 106.6(b) and 122.143(4), Tex. Health & Safety Code § 382.085(b), FOP No. 0210/GOP No. 514, Site-wide Requirements (8)(b), and Permit by Rule ("PBR") Registration No. 95129	PCW <i>Policy Revision 4 (April 2014)</i> <i>PCW Revision March 26, 2014</i>
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Violation Description
 Failed to comply with the annual allowable volatile organic compound ("VOC") emissions rate for the Ethylene Glycol ("EG") Still Vent, EPN 4. Specifically, the Respondent exceeded the annual allowable VOC emissions rate of 4.26 tons per year, based on a 12-month rolling period, for the 12-month periods ending on July 2013 through May 2014, resulting in the unauthorized release of approximately 2.52 tons of VOC.

Base Penalty \$25,000

>> Environmental, Property and Human Health Matrix

OR		Harm			
	Release	Major	Moderate	Minor	
	Actual			x	
	Potential				Percent 15.0%

>> Programmatic Matrix

	Falsification	Major	Moderate	Minor	
					Percent 0.0%

Matrix Notes
 Human health or the environment has been exposed to insignificant amounts of pollutants that do not exceed levels that are protective of human health or environmental receptors as a result of the violation.

Adjustment \$21,250
 \$3,750

Violation Events

Number of Violation Events <input style="width: 50px;" type="text" value="4"/>		Number of violation days <input style="width: 50px;" type="text" value="304"/>
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mark only one with an x	daily		
	weekly		
	monthly		
	quarterly	x	
	semiannual		
	annual		
	single event		

Violation Base Penalty \$15,000

Four quarterly events are recommended for the period of non-compliance from July 31, 2013 through May 31, 2014.

Good Faith Efforts to Comply

	25.0%	
	Before NOE/NOV	NOE/NOV to EDPRP/Settlement Offer
Extraordinary		
Ordinary	x	
N/A		(mark with x)

Notes
 The Respondent completed corrective actions on June 27, 2014, prior to the March 27, 2015 NOE.

Violation Subtotal \$11,250

Economic Benefit (EB) for this violation

Estimated EB Amount <input style="width: 100px;" type="text" value="\$227"/>	
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Statutory Limit Test

	Violation Final Penalty Total \$12,000
This violation Final Assessed Penalty (adjusted for limits) \$12,000	

Economic Benefit Worksheet

Respondent Davis Gas Processing, Inc.
Case ID No. 50393
Reg. Ent. Reference No. RN102744398
Media Air
Violation No. 3

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
No commas or \$							

Delayed Costs

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/Construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System				0.00	\$0	n/a	\$0
Training/Sampling				0.00	\$0	n/a	\$0
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs	\$5,000	31-Jul-2013	27-Jun-2014	0.91	\$227	n/a	\$227
Other (as needed)				0.00	\$0	n/a	\$0

Notes for DELAYED costs

Estimated cost to obtain PBR Registration No. 119303 that certified the increase of the annual allowable VOC emissions rate for the EG Still Vent, EPN 4. The Date Required is the first date of non-compliance and the Final Date is the date of compliance.

Avoided Costs

ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)

Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.00	\$0	\$0	\$0
Supplies/Equipment				0.00	\$0	\$0	\$0
Financial Assurance [2]				0.00	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance

\$5,000

TOTAL

\$227

The TCEQ is committed to accessibility.
To request a more accessible version of this report, please contact the TCEQ Help Desk at (512) 239-4357.



TCEQ Compliance History Report

PUBLISHED Compliance History Report for CN601282502, RN102744398, Rating Year 2014 which includes Compliance History (CH) components from September 1, 2009, through August 31, 2014.

Customer, Respondent, or Owner/Operator: CN601282502, Davis Gas Processing, Inc. **Classification:** SATISFACTORY **Rating:** 8.89

Regulated Entity: RN102744398, IRION COUNTY COMPRESSOR STATION **Classification:** SATISFACTORY **Rating:** 0.89

Complexity Points: 8 **Repeat Violator:** NO

CH Group: 03 - Oil and Gas Extraction

Location: 10 MILES NORTH OF BARNHART ON HIGHWAY 163, IRION COUNTY, TX

TCEQ Region: REGION 08 - SAN ANGELO

ID Number(s):

AIR NEW SOURCE PERMITS ACCOUNT NUMBER IA0009B

AIR NEW SOURCE PERMITS REGISTRATION 119303

AIR NEW SOURCE PERMITS REGISTRATION 131631

AIR NEW SOURCE PERMITS AFS NUM 4823500015

AIR NEW SOURCE PERMITS AFS NUM 4823500016

AIR OPERATING PERMITS ACCOUNT NUMBER IA0009B

AIR OPERATING PERMITS PERMIT 210

AIR EMISSIONS INVENTORY ACCOUNT NUMBER IA0009B

AIR EMISSIONS INVENTORY ACCOUNT NUMBER IA0040H

Compliance History Period: September 01, 2009 to August 31, 2014 **Rating Year:** 2014 **Rating Date:** 09/01/2014

Date Compliance History Report Prepared: April 14, 2015

Agency Decision Requiring Compliance History: Enforcement

Component Period Selected: April 14, 2010 to April 14, 2015

TCEQ Staff Member to Contact for Additional Information Regarding This Compliance History.

Name: Jessica Schildwachter

Phone: (512) 239-2617

Site and Owner/Operator History:

- 1) Has the site been in existence and/or operation for the full five year compliance period? YES
- 2) Has there been a (known) change in ownership/operator of the site during the compliance period? NO
- 3) If **YES** for #2, who is the current owner/operator? N/A
- 4) If **YES** for #2, who was/were the prior owner(s)/operator(s)? N/A
- 5) If **YES**, when did the change(s) in owner or operator occur? N/A

Components (Multimedia) for the Site Are Listed in Sections A - J

A. Final Orders, court judgments, and consent decrees:

N/A

B. Criminal convictions:

N/A

C. Chronic excessive emissions events:

N/A

D. The approval dates of investigations (CCEDS Inv. Track. No.):

Item 1 February 13, 2013 (1058062)

E. Written notices of violations (NOV) (CCEDS Inv. Track. No.):

A notice of violation represents a written allegation of a violation of a specific regulatory requirement from the commission to a regulated entity. A notice of violation is not a final enforcement action, nor proof that a violation has actually occurred.

1 Date: 03/27/2015 (1223881) CN601282502

Self Report? NO Classification: Moderate

Citation: 210 PERMIT
30 TAC Chapter 106, SubChapter W 106.512(2)(C)(iii)
5C THSC Chapter 382 382.085(b)
95129 PERMIT

Description: Failure to conduct biennial stack test for engine EPN: E-1 within the required two year timeframe.

Self Report? NO Classification: Moderate

Citation: 119303 PERMIT
5C THSC Chapter 382 382.085(b)

Description: Failure to implement vapor recovery controls to the site's condensate loading operations as specified in the application for Standard Permit 119303.

Self Report? NO Classification: Moderate

Citation: 210 PERMIT
40 CFR Chapter 60, SubChapter C, PT 60, SubPT OOOO 60.5420(b)(4)
5C THSC Chapter 382 382.085(b)

Description: Failure to submit the Initial Annual Compliance Report under NSPS OOOO for the reciprocating compressor COMP-4 within 90 days after the end of the initial compliance period.

Self Report? NO Classification: Moderate

Citation: 119303 PERMIT
30 TAC Chapter 116, SubChapter F 116.615(2)
5C THSC Chapter 382 382.085(b)

Description: Failure to maintain 2.0 grams per horsepower per hour (g/hp-hr) or less of carbon monoxide (CO) for EPN E-1.

Self Report? NO Classification: Moderate

Citation: 210 PERMIT
30 TAC Chapter 106, SubChapter W 106.512(2)(A)(i)
5C THSC Chapter 382 382.085(b)
95129 PERMIT

Description: Failure to maintain nitrogen oxides (NOx) emissions of 2.0 grams per horsepower per hour (g/hp-hr) or less for EPN 20.

F. Environmental audits:

N/A

G. Type of environmental management systems (EMSs):

N/A

H. Voluntary on-site compliance assessment dates:

N/A

I. Participation in a voluntary pollution reduction program:

N/A

J. Early compliance:

N/A

Sites Outside of Texas:

N/A

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



**IN THE MATTER OF AN
ENFORCEMENT ACTION
CONCERNING
DAVIS GAS PROCESSING, INC.
RN102744398**

**§ BEFORE THE
§
§ TEXAS COMMISSION ON
§
§ ENVIRONMENTAL QUALITY**

AGREED ORDER DOCKET NO. 2015-0591-AIR-E

I. JURISDICTION AND STIPULATIONS

On _____, the Texas Commission on Environmental Quality ("the Commission" or "TCEQ") considered this agreement of the parties, resolving an enforcement action regarding Davis Gas Processing, Inc. ("Respondent") under the authority of TEX. HEALTH & SAFETY CODE ch. 382 and TEX. WATER CODE ch. 7. The Executive Director of the TCEQ, through the Enforcement Division, and the Respondent together stipulate that:

1. The Respondent owns and operates a gas processing plant located ten miles north of Barnhart on Highway 163 in Irion County, Texas (the "Plant").
2. The Plant consists of one or more sources as defined in TEX. HEALTH & SAFETY CODE § 382.003(12).
3. The Executive Director and the Respondent agree that the Commission has jurisdiction to enter this Agreed Order, and that the Respondent is subject to the Commission's jurisdiction.
4. The Respondent received notice of the violations alleged in Section II ("Allegations") on or about April 1, 2015.
5. The occurrence of any violation is in dispute and the entry of this Agreed Order shall not constitute an admission by the Respondent of any violation alleged in Section II ("Allegations"), nor of any statute or rule.
6. An administrative penalty in the amount of Fifteen Thousand Four Hundred Dollars (\$15,400) is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations"). The Respondent has paid Twelve Thousand Three Hundred Twenty Dollars (\$12,320) of the administrative penalty and Three Thousand Eighty

Dollars (\$3,080) is deferred contingent upon the Respondent's timely and satisfactory compliance with all the terms of this Agreed Order. The deferred amount will be waived upon full compliance with the terms of this Agreed Order. If the Respondent fails to timely and satisfactorily comply with all requirements of this Agreed Order, the Executive Director may require the Respondent to pay all or part of the deferred penalty.

7. Any notice and procedures, which might otherwise be authorized or required in this action, are waived in the interest of a more timely resolution of the matter.
8. The Executive Director and the Respondent agree on a settlement of the matters alleged in this enforcement action, subject to final approval in accordance with 30 TEX. ADMIN. CODE § 70.10(a).
9. The Executive Director recognizes that the Respondent has implemented the following corrective measures at the Plant:
 - a. On August 26, 2013, repaired two leaking valves (Tag Nos. 0296 and 0297);
 - b. On June 27, 2014, obtained Permit by Rule ("PBR") Registration No. 119303 that certified the increase of the annual allowable volatile organic compound ("VOC") emissions rate for the Ethylene Glycol ("EG") Still Vent, Emission Point Number ("EPN") 4; and
 - c. By August 31, 2014, implemented a new compression tracking system to ensure complete and accurate submittal of deviation reports.
10. The Executive Director may, without further notice or hearing, refer this matter to the Office of the Attorney General of the State of Texas ("OAG") for further enforcement proceedings if the Executive Director determines that the Respondent has not complied with one or more of the terms or conditions in this Agreed Order.
11. This Agreed Order shall terminate five years from its effective date or upon compliance with all the terms and conditions set forth in this Agreed Order, whichever is later.
12. The provisions of this Agreed Order are deemed severable and, if a court of competent jurisdiction or other appropriate authority deems any provision of this Agreed Order unenforceable, the remaining provisions shall be valid and enforceable.

II. ALLEGATIONS

As owner and operator of the Plant, the Respondent is alleged to have:

1. Failed to repair valves no later than 15 days after a leak is detected, in violation of 30 TEX. ADMIN. CODE § 101.20(1), TEX. HEALTH & SAFETY CODE § 382.085(b), and 40 CODE OF FEDERAL REGULATIONS ("CFR") § 60.633(b)(3)(i), as documented during a record review conducted on February 4, 2015. Specifically, during the quarterly Leak Detection and Repair inspection conducted on July 29, 2013, two valves (Tag Nos. 0296 and 0297)

were found to be leaking and were not repaired by August 13, 2013, but were repaired by August 26, 2013.

2. Failed to report all instances of deviations, in violation of 30 TEX. ADMIN. CODE §§ 122.143(4) and 122.145(2)(A), TEX. HEALTH & SAFETY CODE § 382.085(b), and Federal Operating Permit ("FOP") No. 0210/General Operating Permit ("GOP") No. 514, Site-wide Requirements (b)(2), as documented during a record review conducted on February 4, 2015. Specifically, the deviation reports for the reporting periods from July 25, 2013 through January 24, 2014 and January 25, 2014 through July 24, 2014 did not include deviations for the failure to submit the initial Annual Compliance Report under 40 CFR Part 60, Subpart OOOO for the reciprocating compressor within 90 days after the end of the initial compliance period and for the failure to comply with the carbon monoxide emissions rate for Waukesha L7012GSI, EPN E-1.
3. Failed to comply with the annual allowable VOC emissions rate for the EG Still Vent, EPN 4, in violation of 30 TEX. ADMIN. CODE §§ 106.6(b) and 122.143(4), TEX. HEALTH & SAFETY CODE § 382.085(b), FOP No. 0210/GOP No. 514, Site-wide Requirements (8)(b), and PBR Registration No. 95129, as documented during a record review conducted on February 4, 2015. Specifically, the Respondent exceeded the annual allowable VOC emissions rate of 4.26 tons per year, based on a 12-month rolling period, for the 12-month periods ending on July 2013 through May 2014, resulting in the unauthorized release of approximately 2.52 tons of VOC.

III. DENIALS

The Respondent generally denies each allegation in Section II ("Allegations").

IV. ORDERING PROVISIONS

1. It is, therefore, ordered by the TCEQ that the Respondent pay an administrative penalty as set forth in Section I, Paragraph 6 above. The payment of this administrative penalty and the Respondent's compliance with all the terms and conditions set forth in this Agreed Order resolve only the allegations in Section II. The Commission shall not be constrained in any manner from requiring corrective action or penalties for violations which are not raised here. Administrative penalty payments shall be made payable to "TCEQ" and shall be sent with the notation "Re: Davis Gas Processing, Inc., Docket No. 2015-0591-AIR-E" to:

Financial Administration Division, Revenue Operations Section
Attention: Cashier's Office, MC 214
Texas Commission on Environmental Quality
P.O. Box 13088
Austin, Texas 78711-3088
2. The provisions of this Agreed Order shall apply to and be binding upon the Respondent. The Respondent is ordered to give notice of the Agreed Order to personnel who maintain day-to-day control over the Plant operations referenced in this Agreed Order.

3. This Agreed Order, issued by the Commission, shall not be admissible against the Respondent in a civil proceeding, unless the proceeding is brought by the OAG to: (1) enforce the terms of this Agreed Order; or (2) pursue violations of a statute within the Commission's jurisdiction, or of a rule adopted or an order or permit issued by the Commission under such a statute.
4. This Agreed Order may be executed in separate and multiple counterparts, which together shall constitute a single instrument. Any page of this Agreed Order may be copied, scanned, digitized, converted to electronic portable document format ("pdf"), or otherwise reproduced and may be transmitted by digital or electronic transmission, including but not limited to facsimile transmission and electronic mail. Any signature affixed to this Agreed Order shall constitute an original signature for all purposes and may be used, filed, substituted, or issued for any purpose for which an original signature could be used. The term "signature" shall include manual signatures and true and accurate reproductions of manual signatures created, executed, endorsed, adopted, or authorized by the person or persons to whom the signatures are attributable. Signatures may be copied or reproduced digitally, electronically, by photocopying, engraving, imprinting, lithographing, electronic mail, facsimile transmission, stamping, or any other means or process which the Executive Director deems acceptable. In this paragraph exclusively, the terms "electronic transmission", "owner", "person", "writing", and "written" shall have the meanings assigned to them under TEX. BUS. ORG. CODE § 1.002.
5. Under 30 TEX. ADMIN. CODE § 70.10(b), the effective date is the date of hand-delivery of the Order to the Respondent, or three days after the date on which the Commission mails notice of the Order to the Respondent, whichever is earlier.

SIGNATURE PAGE

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

For the Commission

Permit Manager
For the Executive Director

11/3/15
Date

I, the undersigned, have read and understand the attached Agreed Order. I am authorized to agree to the attached Agreed Order on behalf of the entity indicated below my signature, and I do agree to the terms and conditions specified therein. I further acknowledge that the TCEQ, in accepting payment for the penalty amount, is materially relying on such representation.

I also understand that failure to comply with the Ordering Provisions, if any, in this order and/or failure to timely pay the penalty amount, may result in:

- A negative impact on compliance history;
- Greater scrutiny of any permit applications submitted;
- Referral of this case to the Attorney General's Office for contempt, injunctive relief, additional penalties, and/or attorney fees, or to a collection agency;
- Increased penalties in any future enforcement actions;
- Automatic referral to the Attorney General's Office of any future enforcement actions; and
- TCEQ seeking other relief as authorized by law.

In addition, any falsification of any compliance documents may result in criminal prosecution.

Michael K. Davis
Signature

7-30-15
Date

Michael K. Davis
Name (Printed or typed)
Authorized Representative of
Davis Gas Processing, Inc.

Executive Vice-President
Title

Instructions: Send the original, signed Agreed Order with penalty payment to the Financial Administration Division, Revenue Operations Section at the address in Section IV, Paragraph 1 of this Agreed Order.